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center for  
resource  
solutions

December 9, 2009

Professor Larry Goulder  
Chair, Economic and Allocation Advisory Committee  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Dear Professor Goulder and Members of the EAAC:

We thank the Committee for the public service represented by your work fulfilling the mission of the EAAC. Your contribution to the implementation of AB 32 will surely be very valuable.

One of two areas upon which the EAAC is focusing is economic modeling that CARB has used to better understand the economic impacts of AB 32. This has been the subject of substantial debate. The Center for Resource Solutions has undertaken a comparative analysis of the results of the various modeling frameworks and produced a report to explain our findings. In short, our analysis shows that when compared to the results of other analytical efforts, both in California and federally, CARB's results are much more consistent than divergent.

Our findings are in line with assertions in a letter dated September 25, 2009, to the EAAC from a coalition of nonprofit public interest groups, which makes the following point:

CARB's results are consistent with other studies. The CARB findings on the economic impacts of the Scoping Plan corroborate many other studies done in the California context and elsewhere. These models show relatively small net macroeconomic effects from greenhouse gas reduction efforts of similar magnitude to AB 32, even before other environmental benefits and avoided climate damages are considered.

For your convenience, we will separately submit our report with the hope that it will be taken into consideration by the economic modeling subgroup.

Thank you for the opportunity to submit this comment. We look forward to continuing to follow the Committee's important work.

Sincerely,

Chris Busch  
Policy Director, Center for Resource Solutions